

107TH CONGRESS  
1ST SESSION

# H. R. 586

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## AN ACT

To amend the Internal Revenue Code of 1986 to provide that the exclusion from gross income for foster care payments shall also apply to payments by qualified placement agencies, and for other purposes.



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To amend the Internal Revenue Code of 1986 to provide that the exclusion from gross income for foster care payments shall also apply to payments by qualified placement agencies, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2   *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Fairness for Foster  
3 Care Families Act of 2001”.

4 **SEC. 2. EXCLUSION FOR FOSTER CARE PAYMENTS TO**  
5 **APPLY TO PAYMENTS BY QUALIFIED PLACE-**  
6 **MENT AGENCIES.**

7 (a) IN GENERAL.—The matter preceding subpara-  
8 graph (B) of section 131(b)(1) of the Internal Revenue  
9 Code of 1986 (defining qualified foster care payment) is  
10 amended to read as follows:

11 “(1) IN GENERAL.—The term ‘qualified foster  
12 care payment’ means any payment made pursuant to  
13 a foster care program of a State or political subdivi-  
14 sion thereof—

15 “(A) which is paid by—

16 “(i) a State or political subdivision  
17 thereof, or

18 “(ii) a qualified foster care placement  
19 agency, and”.

20 (b) QUALIFIED FOSTER INDIVIDUALS TO INCLUDE  
21 INDIVIDUALS PLACED BY QUALIFIED PLACEMENT AGEN-  
22 CIES.—Subparagraph (B) of section 131(b)(2) of such  
23 Code (defining qualified foster individual) is amended to  
24 read as follows:

25 “(B) a qualified foster care placement  
26 agency.”

1 (c) QUALIFIED FOSTER CARE PLACEMENT AGENCY  
 2 DEFINED.—Subsection (b) of section 131 of such Code  
 3 is amended by redesignating paragraph (3) as paragraph  
 4 (4) and by inserting after paragraph (2) the following new  
 5 paragraph:

6 “(3) QUALIFIED FOSTER CARE PLACEMENT  
 7 AGENCY.—The term ‘qualified foster care placement  
 8 agency’ means any placement agency which is li-  
 9 censed or certified by—

10 “(A) a State or political subdivision there-  
 11 of, or

12 “(B) an entity designated by a State or  
 13 political subdivision thereof,  
 14 for the foster care program of such State or political  
 15 subdivision to make foster care payments to pro-  
 16 viders of foster care.”

17 (d) EFFECTIVE DATE.—The amendments made by  
 18 this section shall apply to taxable years beginning after  
 19 December 31, 2001.

Passed the House of Representatives May 15, 2001.

Attest:

*Clerk.*